

WILLMAR CITY COUNCIL PROCEEDINGS
COUNCIL CHAMBERS
WILLMAR MUNICIPAL UTILITIES BUILDING
WILLMAR, MINNESOTA

December 15, 2014
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Frank Yanish. Members present on a roll call were Mayor Frank Yanish, Council Members Denis Anderson, Ron Christianson, Steve Ahmann, Audrey Nelsen, Tim Johnson, Rick Fagerlie, Jim Dokken and Bruce DeBlieck; Present 9, Absent 0.

Others present were City Administrator Charlene Stevens, City Clerk Kevin Halliday, Police Chief Jim Felt, Public Works Director Sean Christensen, Fire Chief Gary Hendrickson, Planning and Development Director Bruce Peterson, Finance Director Steve Okins, Community Education and Recreation Director Steve Brisendine and City Attorney Robert Scott.

An addition to the agenda was requested by Council Member Anderson under New Business.

Council Member Anderson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of December 1, Willmar Municipal Utilities Board Minutes of December 8, Application for Exempt Permit – Safe Avenues, Accounts Payable Report through December 11, and the Building Inspection Report for November, 2014. Council Member Christianson seconded the motion, which carried.

At 7:01 p.m. Mayor Yanish opened a public hearing to discuss an application for tax abatement by Oil-Air Products in conjunction with the owners of the Donnerite property. Oil-Air Products, a producer of hoses and fittings for fluid power equipment, proposes to open a Willmar facility in a portion of the Donner building on East Highway 12. Partial tax abatement has been requested to offset some of the increased real estate taxes from the move. After review of the application, it was staff's recommendation to approve the tax abatement and approve the developer agreement.

Mayor Yanish acknowledged Bob Enos to speak at the public hearing. Mr. Enos expressed his concerns on the findings of preserving or increasing of the tax base and renewal of blighted areas.

Steve Renquist, Kandiyohi County EDC, came forward to speak at the hearing. He stated there is no argument that this company needs financial assistance. Many business subsidies are only a cash infusion. Willmar and Kandiyohi County have grown to be one of the strongest mico-politan counties in all of America by growing the job base, thereby growing the tax base. If you combine the City and County tax abatement together, you do not equal \$10,000 which is only one-third of one of their lowest paid salaries. He urged the Mayor and Council to pass the tax abatement.

After hearing all who wished to speak for or against the tax abatement, Mayor Yanish closed the hearing at 7:16 p.m.

Council Member Ahmann made a motion to deny the abatement, which failed with no second.

The members of the Council discussed the tax abatement at length with staff and Mr. Renquist addressing questions.

Donald Haug, 2670 Fairway Drive NE, was allowed by Mayor Yanish to speak after the close of the hearing. Mr. Haug owns the John Deere dealership and stated his concern for the impact to the retail side of

businesses. He opined that it would be a competitive business for Arnolds and also for CD & T, who builds hydraulic hose and fittings. It was noted Oil-Air is a wholesaler of products only.

Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes. 1.

RESOLUTION NO. 1

RESOLUTION APPROVING PROPERTY TAX ABATEMENT

BE IT RESOLVED by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

1. Recitals.

- a. William & Deborah Donner (the "Developer") propose the redevelopment of the commercial building existing on Developer's real property located at 1500 Highway 12 East (parcel number 95-914-1670, the "Development Property") in the City, (the "Project"). The Developer has requested that the City provide financial assistance to the Developer for the project relative to the 18,000 square feet of the Development Property to be leased to Oil Air Products. The City proposes to use tax abatement for the purposes provided for in the Abatement Law (hereinafter defined), including the Project. The proposed term of the abatement will be for a term not to exceed eight years in a total amount not to exceed \$23,000. The abatement will apply to the City's share of ad valorem property taxes on the Development Property derived from the value of the Project and paid by the Developer (the "Abatement").
- b. On December 15, 2014 the Council held a public hearing on the question of the Abatement, with proper notice being duly given.
- c. The Abatement is authorized under Minnesota Statutes, Section 469.1812 through 469.1815 (the "Abatement Law").

2. Findings for the Abatement. The City Council hereby makes the following findings:

- a. The Council expects the benefits to the City of the Abatement to at least equal or exceed the costs to the City thereof.
- b. Granting the Abatement is in the public interest because it will increase or preserve the tax base of the City; provide employment opportunities in the City.
- c. The Property is not located in a tax increment financing district.
- d. In any year, the total amount of property taxes abated by the City by this and other resolutions, if any, does not exceed greater of ten percent (10%) of the current levy or \$200,000.

3. Terms of Abatement. The Abatement is hereby approved; provided, however, this approval is contingent upon the approval by Kandiyohi County of an abatement program for the Project upon the same terms as set forth below for the County's share of property tax amount which the County receives from the Property. The terms of the Abatement are as follows:

- a. The Abatement shall be for eight (8) years and shall apply to the taxes payable in the years 2015 through 2022 inclusive.

- b. The City will abate the portion of the City's share of ad valorem property taxes on the 18,000 square feet of the Development Property paid by the Developer and leased to Oil Air Products , beginning with taxes payable in 2015 and continuing through taxes payable in 2022 , as follows:
 1. 2015-2017 – 100% of City Share
 2. 2018-2020 – 75% of City Share
 3. 2021-2022 – 50% of City Share
 4. The aggregate amount of City taxes abated shall not exceed \$23,000.
- c. The Abatement shall be subject to all the terms and limitation of the Abatement Law, as well as that certain Tax Abatement Agreement between the Developer, Oil Air Products and the City approved by the City on even date herewith setting forth the rights and obligations of the parties with respect to the Abatement in greater detail, including the requirement that Developer lease a minimum of 18,000 square feet of the Development Property to Oil Air Products and pass the annual Abatement amount through to Oil Air Products.
- d. The Abatement may not be modified or changed during its term.

Dated this 15th day of December, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

In the Council Open Forum, Mayor Yanish recognized Bob Skor, 617 SW 14th Street, who expressed his opinion on the Municipal Utilities substation land stating there is no guarantee there will not be a power outage and commented on the effects of EMS. He talked of a compound in Arabia where the workers lived on site and suggested Hormel to follow and build housing for their employees on the remaining 40 acres of land the City does not require.

Donald (Butch) Haug, 2670 Fairway Drive NE, stated he was there to discuss the proposed Highway 12 Corridor Study and asked to address the Council after that presentation.

Bob Enos, 905 Trott Avenue SW, commented on the substation project negotiations stating Section 4.05 from the City Charter, Subdivision 2 gives the Commission the right to use eminent domain.

Mayor Pro Tempore Anderson recognized Mayor Frank Yanish for his years of outstanding service from 2011 – 2014 to the City of Willmar as Mayor noting his conservative values, dedication, willingness to listen and accomplishments. He was presented with a commemorative plaque and thanked Council Members, City Staff and the citizens of Willmar. He touched on some highlights that took place during his term in office.

Mayor Pro Tempore Anderson recognized Bruce DeBlieck, Council Member for the Ward One, for his 24 years of dedicated service to the City of Willmar and presented him with a commemorative plaque. He was commended for all his years of community service prior to becoming a Council Member in 1991. Mayor Pro Tempore Anderson noted his service as a liaison to the Willmar Municipal Utilities Commission along with many other committees. Council Member DeBlieck expressed his gratitude for the opportunity to serve as a member of the City Council over the past years.

Planning and Development Services Director Bruce Peterson recapped on the City's involvement in the Highway 12 Corridor Study where earlier this year the City partnered with the County and MnDOT in the creation of a future vision of Highway 12 through the City of Willmar. This resulted in a document that will guide future land use and engineering decisions, as well as activities along the corridor. Mr. Peterson

introduced Chris Moats of MnDOT and Bob Rogers from the consulting firm of SEH who informed the Council of the results of the vision process.

Mr. Moats stated the corridor study area is from County Road 5 on the west through the City limits and past the bypass on the east to 45th Street SE. Its purpose is to look at past and existing conditions for both land use and transportation and get a vision for the corridor for the next twenty years.

Bob Rogers of SEH summarized the analysis that was completed to allow them to make study recommendations. Three primary recommendations resulted. One being the establishment of a more uniform typical highway section that will enhance driver expectancy while achieving safety and mobility goals i.e., 3-lane with continuous center left-turn lane, 4-lane divided (maintain existing section in downtown) and also some other spot design options. The second recommendation is to establish access management strategies with specific access and land use policies to promote safe movement of traffic, and third seek opportunities to provide streetscape features to enhance the overall aesthetic appearance of the corridor. This presentation was received by the Council for information only.

Wesley Hompe, General Manager for Willmar Municipal Utilities, came before the Council to present a follow-up to the December 1st Council meeting where he was asked to bring the land purchase agreement back to the Willmar Municipal Utilities Commission for more discussion. At the WMU Commission December 8th meeting Mr. Hompe stated he was directed to leave the agreement as is.

The question was raised by Council Member Christianson regarding this particular location being the prime location regardless of the cost. Mr. Hompe explained the need to supplement power to the area with the addition of a substation and work on the north end of the county. This was substantiated by a detailed study done in 2010 in conjunction with Great River Energy. The work on the north end of the County has been completed, which left the addition of a substation. This property was selected as there is an 115,000-volt line accessible, and it is near the Wastewater Treatment Plant 69,000-volt line. The cost per mile for an 115,000 volt line is \$385,000 per mile or for the 69,000 volt line near the Wastewater Treatment Plant is \$230,000 per mile. By using this particular land, you save two miles of distance of 115,000-volt line and one mile of 69,000-volt line for a cost savings of \$920,000. The transmission lines dictated the location.

Council Member Ahmann made a motion to veto the action of the Willmar Municipal Utilities Commission Resolution No. 44 to purchase the land from Jennie-O Turkey Store. The motion failed for lack of a second.

Council Member DeBlieck made a motion to approve Resolution No. 44, which also failed for lack of a second. Resolution No. 44 of the Willmar Utilities Commission minutes was approved by default of no action.

The Finance Committee Report for December 8, 2014 was presented to the Mayor and Council by Council Member Anderson. There were six items for consideration.

Item No. 1 There were no comments from the public.

Item No. 2 City Clerk Halliday explained to the Committee that Engan Associates is requesting an amendment to their architectural services contract to add \$798.67 for printing and reproduction costs of bid documents.

Following discussion, Council Member Johnson moved to not approve the amendment to the contract. Council Member Fagerlie seconded the motion. Council Members Nelsen and Anderson both stated they were uncomfortable with not approving the increase. This item will be forwarded to the Council with no recommendation per a roll-call vote of (2) Ayes (2) Nays with Council Members Nelsen and Anderson voting against.

At the Council meeting Council Member Nelsen made a motion to introduce Resolution No. 2 to approve the amendment to the Engan Associates contract in the amount of \$798.67. Council Member DeBlieck seconded the motion.

RESOLUTION NO. 2

BE IT RESOLVED by the City Council of the City of Willmar that the agreement with Engan Associates, P.A., of Willmar, Minnesota, for the Willmar Auditorium Renovation project, be amended with Change Order No. 1 as follows:

Printing and reproduction costs for bid documents, increasing the total architectural contract by \$799.

BE IT FURTHER RESOLVED that the Mayor and City Administrator be authorized to execute the necessary documents on behalf of the City for this Change Order No. 1.

Dated this 15th day of December, 2014.

Staff was asked to comment on the inclusion of these costs in their proposal. After discussion, Resolution No. 2 failed with 4 Ayes and 5 Noes, with Mayor Yanish casting the tie breaking vote with his no vote.

Item No. 3 City Clerk Halliday reported to the Committee that during the abatement process at the Auditorium, it was noticed that the glass wall between the Gun Range staging room and the training room was unsecured mainly due to a design of having the glass wall held up by the hanging ceiling tees. This wobbly scenario resulted in a broken section of glass. The remedy of this design failure is to construct a soffit over the wall and secure the top aluminum mullion. This soffit will close off the ceiling space and stabilize the glass wall at a cost of \$3,200. It is being proposed that this amount be used from the Contingency Fund.

The Committee was recommending the Council introduce a resolution to authorize the Mayor and City Administrator to execute the contract with CornerStone of Willmar to construct a soffit over the glass wall between the Gun Range staging room and the training room at the Auditorium in the amount of \$3,200.

Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes. 0.

RESOLUTION NO. 3

BE IT RESOLVED by the City Council of the City of Willmar that the agreement with CornerStone of Willmar, Inc., of Willmar, Minnesota, for the Willmar Auditorium Renovation project, be amended with Change Order No. 2 as follows:

Construct a soffit over the glass wall and secure the top aluminum mullion, increasing the total contract by \$3,200 and reducing the Contingency Amount for this project by \$3,200.

BE IT FURTHER RESOLVED that the Mayor and City Administrator be authorized to execute the necessary documents on behalf of the City for this Change Order No. 2.

Dated this 15th day of December, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 4 Arena Manager Ciernia explained to the Committee that a couple of weeks ago the water heater at the Civic Center failed. Temporary repairs have been made in order to sustain needed hot water for the arena; however, a new unit is required. It was also noted that the Locker Room Furnace is in need of replacement as well. Quotes have been received with Magnuson Sheet Metal as the low bidder for a total of \$18,225. It is being proposed that unspent 2013 Capital Improvement Funds (CIP) originally budgeted for cedar shake replacement at the Civic Center be reallocated for this water heater and furnace replacement.

The Committee recommended the Council introduce a resolution to reallocate 2013 CIP funds originally budgeted for cedar shake replacement to be used for this water heater and furnace replacement at the Civic Center. .

Resolution No. 4 was introduced by Council Member Anderson, seconded by Council Member DeBlieck, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes. 0.

RESOLUTION NO. 4

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to reallocate \$18,225 from the Cedar Shake Replacement Project originally budgeted in the 2013 Capital Improvement Program at the Civic Center for replacement of the Water Heater and Locker Room Furnace at the Civic Center as follows:

Increase:	2014 Civic Center Capital Outlay Water Heater and Locker Room Furnace	\$18,225
Decrease:	2013 Civic Center Capital Outlay Cedar Shake Replacement	\$18,225

Dated this 15th day of December, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 There was no old business.

Item No. 6 Under new business Finance Director Okins reminded the Committee that the League of Minnesota Cities will be conducting a webinar December 9, 2014, at 1 PM, to discuss the State Budget Forecast. Council Members are invited to attend this webinar which will be viewed in Conference Room No. 1 at the City Office Building. This was received by the Council for information only.

The Finance Committee Report for December 8, 2014, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Anderson, seconded by Council Member Fagerlie, and carried.

Mayor Yanish called a recess to the meeting at 9:20 p.m. noting he would be leaving the meeting. At 9:27 p.m. the Council reconvened with Mayor Pro Tempore Anderson presiding.

The Public Works/Safety Committee Report for December 9, 2014 was presented to the Mayor Pro Tempore and Council by Council Member Christianson. There were five items for consideration.

Item No. 1 There were no comments from the public.

Item No. 2 Police Chief Felt noted the jail census for December 9, 2014, was 118; 82 from Kandiyohi County, 28 from the Department of Corrections, 4 from Swift County, and 4 from Big Stone County. The calls for service for the previous two weeks totaled 614. The majority of the calls are for traffic stops, followed by public assists and crashes. The inmates from neighboring counties are due to smaller jails at their facilities or to house women inmates. The new Police canine will be arriving tentatively on Sunday, a month earlier than expected, to Officer Chris Flatten. The Public Works Department set up a kennel for the dog at Officer Flatten's home with pavers donated by Duininck, Inc. A naming contest will take place at Willmar Public School and Community Christian School for students to vote on the dog's name.

Fire Chief Gary Hendrickson noted there have been 275 calls for the year so far compared to 225 at this time last year. The increase of calls is primarily due to unintentional activation of fire alarms and malfunction of commercial building fire alarms along with calls for burnt food.

Item No. 3 Public Works Director Christensen brought forth, for approval, the Engineering Improvement Report for 2015 and ordering the Improvement Hearing for February 17, 2015 at 7:01 p.m. It was questioned if the City is keeping up on crack seal and seal coating to achieve the maximum life out of the street. The Pavement Management Program process needs to be followed to get the streets up to date with maintenance. An exact date is difficult to determine when the street condition will be caught up because of multiple variables such as funding, traffic patterns, utility changes, State Aid, and expectations of the Council and the public. There was discussion about moving the bid process earlier in the year and notifying citizens earlier about the potential projects affecting them. The Council discussed the impact of the reconstruction of Park Avenue and 9th Street NW on the Kandiyohi County Fair next August, and the possibility of turning Woodland Avenue NW over to the Fair Board. The effect of the reconstruction of the Block 50 parking lot downtown was noted, as it is heavily used. The project can potentially be done in phases to accommodate parking and will be discussed with the contractor before construction begins.

It was the recommendation of the Committee to receive the Improvement Report for the 2015 Projects and order and Improvement Hearing for February 17, 2015 at 7:01 p.m. Resolution No. 5 was introduced by Council Member Christianson, seconded by Council Member Fagerlie, reviewed by Mayor Pro Tempore Anderson, and approved on a roll call vote of Ayes 8, Noes. 0.

RESOLUTION NO. 5

RECEIVING PRELIMINARY REPORT AND CALLING PUBLIC HEARING ON YEAR 2015 IMPROVEMENT PROJECTS

WHEREAS:

1. The City Council deems it necessary and expedient that the City of Willmar, Minnesota, construct certain improvements to-wit: grading, gravel base, bituminous paving, curb and gutter, sidewalk, signal systems, sanitary sewer, water main, storm pond, in the City as described in and in accordance with the preliminary plans and report prepared by the City Engineer.

2. The Council has been advised by the City Engineer that said Year 2015 Improvement Projects contained in the Preliminary Report are feasible and should best be made as proposed, and the City Engineer's report to this effect has heretofore been received by the Council, and filed with the Clerk-Treasurer; and

3. The statute provides that no such improvements shall be made until the Council shall have held a public hearing on such improvements following mailed notice and two publications thereof in the official newspaper stating time and place of the hearing, the general nature of the improvement, the estimated costs thereof and the area proposed to be assessed, in accordance with the law;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, as follows:

1. A public hearing will be held at the time and place set forth in the Notice of Hearing hereto attached to consider said proposed improvements.
2. The nature of the improvements, the estimated cost of each major portion thereof, and the areas proposed to be assessed therefore are described in the form of Notice of Hearing hereto attached.
3. The notice of said public hearing shall be in substantially the form contained in the notice hereto attached.
4. The Clerk-Treasurer is hereby authorized and directed to cause notice of said hearing to be given two publications in the official newspaper. Said publications shall be one week apart, and at least three days shall elapse between the last publication and the hearing. Not less than ten days before the hearing the Clerk-Treasurer shall mail notice of the hearing to the owner of each parcel of land within the area proposed to be assessed as described in the notice. For the purpose of giving such mailed notice, owners shall be those shown to be such on the records of the County Auditor or, if the tax statements in the County are mailed by the County Treasurer, on the records of the County Treasurer. As to properties not listed on the records of the County Auditor or the County Treasurer, the Clerk-Treasurer shall ascertain such ownership by any practicable means and give mailed notice to such owners.

Dated this 15th day of December, 2014.

/s/ Denis Anderson
MAYOR PRO TEMPORE

/s/ Kevin Halliday
Attest: CITY CLERK

It was at this time that the Council was asked to consider the Budget for the 2015 Improvements. Resolution No. 6 was introduced by Council Member Christianson, seconded by Council Member DeBlick, reviewed by Mayor Pro Tempore Anderson, and approved on a roll call vote of Ayes 8, Noes. 0.

RESOLUTION NO. 6

2015 Pavement Management Improvements Bonds

OTHER SERVICES:		RECEIVABLES:	
Mntc. Of Other Impr.	\$2,422,565.00	Assessments Property Owners	\$982,578.00
Other Services	<u>\$309,550.00</u>	Community Investment	\$963,622.00
TOTAL	\$2,732,115.00	Other	<u>\$1,149,300.00</u>
		TOTAL	\$3,095,500.00
OTHER CHARGES		FINANCING:	
Professional Services	<u>\$363,385.00</u>	Bonding	\$1,946,200.00
TOTAL	\$363,385.00	Other Sources	<u>\$1,149,300.00</u>
		TOTAL	\$3,095,500.00
GRAND TOTAL	\$3,095,500.00	GRAND TOTAL	\$3,095,500.00

Dated this 15th day of December, 2014.

/s/ Denis Anderson
MAYOR PRO TEMPORE

/s/ Kevin Halliday
Attest: CITY CLERK

Following approval of the budget the Council considered the resolution for intent to reimburse. Resolution No. 7 was introduced by Council Member Christianson, seconded by Council Member Ahmann, reviewed by Mayor Pro Tempore Anderson, and approved on a roll call vote of Ayes 8, Noes. 0.

RESOLUTION NO. 7

RESOLUTION ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED, by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

1. Recitals.

A. The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

B. The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

C. The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

D. The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application, to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Clerk to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

A. Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A, which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.

B. Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.

C. Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City doesn't reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with

bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.

D. The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City has made Declarations.

3. Reimbursement Allocations. The designated City officials shall also be responsible for making the “reimbursement allocations” described in the Regulations, being generally written allocations that evidence the City’s use of the applicable bond proceeds to reimburse the original expenditures.

4. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Dated this 15th day of December, 2014.

/s/ Denis Anderson
MAYOR PRO TEMPORE

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 4 Under Old Business Council Member Ahmann requested an update on the Stormwater issues, and Public Works Director Christensen stated he is in the process of reviewing the integrated plans and how they may be included in the Capital Improvement Plan. The Council discussed the review of the City’s ordinance for snow emergencies, with removal of parked vehicles along City streets to allow plows to clean the streets properly and efficiently. This was received for information only.

Item No. 5 There were no items for New Business.

The Public Works/Safety Committee Report for December 9, 2014, was approved as presented and ordered placed on file in the City Clerk’s Office upon motion by Council Member Christianson, seconded by Council Member Ahmann, and carried.

The Labor Relations Committee Report for December 10, 2014 was presented to the Mayor Pro Tempore and Council by Council Member Ahmann. There were four items for consideration.

Item No. 1 There was no one from the public present to comment.

Item No. 2 Council Member Anderson made a motion, seconded by Council Member Christianson to go into closed session pursuant to Minn. Stat. §13D.03 to discuss labor negotiation strategies. The meeting was closed at 4:47 p.m. p.m.

The meeting was reopened at 5:20 p.m. on a motion by Council Member Anderson, seconded by Council Member Dokken.

Item No. 3 Chair Ahmann reviewed the tentative agreement with Law Enforcement Labor Services (LELS) (see attached document), summarizing the agreement for 2015. Chair Ahmann highlighted the annual wage increases of 2.0% and all other conditions remaining the same.

It was the committee’s recommendation to approve the contract with LELS for 2015 as described and attached. Council Member Ahmann made a motion to approve the contract as presented. Council Member Dokken seconded the motion, which carried.

Item No. 4 Under Old Business the committee discussed Succession Planning: Chair Ahmann raised the issue of the importance of succession planning in the organization, specifically the transfer of institutional knowledge in the organization. Ms. Stevens explained what the City has done to date to try to

prepare individuals for future promotional opportunities and noted in some cases it is difficult to find internal candidates. Council Member Anderson noted that it is important to have a balance of internal promotions and new ideas. Council Member Christianson stated it was important to develop internal candidates. The Council discussed the significance of Succession Planning and its meaning. This was received for information only.

Appointments to Boards and Committees: Chair Ahmann raised the concern of individuals serving on multiple boards and commissions and potential conflicts of interest. Other members expressed concerns that it can be difficult to find individuals willing to serve. It was agreed to have further discussion after the new Mayor Elect took office in January. This matter was for information only.

The Labor Relations Committee Report for December 10, 2014, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Ahmann, seconded by Council Member Dokken, and carried.

The Community Development Committee Report for December 11, 2014 was presented to the Mayor and Council by Council Member Fagerlie. There were six items for consideration.

Item No. 1 There were no public comments.

Item No. 2 In advance of the Council public hearing, the Committee reviewed Tax Abatement and Business Subsidy Policies as they relate to the Donner/Oil Air Tax Abatement request. Staff offered the opinion that the request met the City's policies and should be approved. It was noted that the resolution of approval and tax abatement agreement would be part of the Council packet. This was received for information only.

Item No. 3 Staff presented a memorandum of understanding for the proposed Willmar Wye/Bypass project. The City was being asked to approve another MOU to be used to apply for federal funding in the year 2015. The MOU, with the exception of the term of the MOU, was consistent with the MOU adopted by the Council in the summer of 2014.

It was the recommendation of the Committee that the City Council approve the Memorandum of Understanding and execute the document as presented.

Resolution No. 8 was introduced by Council Member Fagerlie, seconded by Council Member DeBleck, reviewed by Mayor Pro Tempore Anderson, and approved on a roll call vote of Ayes 8, Noes. 0.

RESOLUTION NO. 8

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor be authorized to enter into MnDOT Agreement No. 05828 - Memorandum of Understanding between the City of Willmar, BNSF Railway Company, Kandiyohi County, Kandiyohi County and the City of Willmar Economic Development Commission and the State of Minnesota for pursuit of construction of a Wye Track.

Dated this 15th day of December, 2014.

/s/ Denis Anderson
MAYOR PRO TEMPORE

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 4 Staff briefly reviewed the process used in the course of soliciting input and generating recommendations for the Highway 12 Corridor Vision Plan. The Committee was reminded that the Plan would not include any specific design or engineering recommendations. Rather, it provides guidance for

the City when projects are planned and executed in the future. The Plan will be presented to the Council at the December 15th meeting by representatives of the consultant SEH and MnDOT. The Council received this item for information only.

Item No. 5 There was no Old Business to come before the Committee.

Item No. 6 Under New Business the Committee received information related to the HRA Small Cities Development Grant Program. Jill Bengtson, HRA Director, was present to ask the City to submit a request to MN-DEED to extend the 2012 Small Cities Development Program into 2015 and to set a public hearing to include the Highland Apartments in the Small Cities Development Program target area. Results of the Small Cities Development Program rehabilitation efforts were reviewed and discussed. Approximately \$13,000 was unspent in Willmar and will be returned to MN-DEED.

The Council followed the recommendation of the Committee to submit the request to MN-DEED to extend the 2012 Small Cities Development Program into 2015 and to set a public hearing to consider expanding the current Small Cities Development Program target area. Council Member Fagerlie made the motion, with Council Member DeBlieck seconding, to set a hearing for January 20, 2015. The motion carried.

The Community Development Committee Report for December 11, 2014, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Fagerlie, seconded by Council Member DeBlieck, and carried.

Public Works Director Sean Christensen informed the Council that the Willmar Trap Club (WTC) approached the City wanting to renew their lease for the trap facility located near the Wastewater Treatment Plant. The current lease originated in June of 1994 and expired this past October. City staff, the City Attorney and the WTC drafted the proposed lease, which allowed the use of approximately 20 acres of land for a fee of \$100 per year for twenty years. The WTC is responsible for all mowing, garbage removal, range improvement and management, insurance coverage and lead reclamation and removal activities. The lease was approved by the club at the end of November. A motion was made by Council Member Fagerlie to approve the lease with WTC for the trap range. Council Member Christianson seconded the motion, which carried.

City Clerk Kevin Halliday presented an application for premise permit for the Willmar Elks Lodge #952 for a gambling license at their new location of 222 SW 20th Street. The local unit of government must approve the application by resolution, which is submitted along with the application to the Gambling Control Board. It was staff's recommendation to approve the premise permit for the new location.

Resolution No. 9 was introduced by Council Member DeBlieck, seconded by Council Member Christianson, reviewed by Mayor Pro Tempore Anderson, and approved on a roll call vote of Ayes 8, Noes. 0.

RESOLUTION NO. 9

REQUESTING THAT THE MINNESOTA GAMBLING
CONTROL BOARD APPROVE THE APPLICATION FOR A
PREMISE PERMIT FOR THE WILLMAR ELKS LODGE #952

WHEREAS, the Willmar Elks Lodge #952 has applied to the Minnesota Gambling Control Board to obtain a Premise Permit for a Gambling License at Willmar Elks Lodge #952, 222 SE 20th Street, Willmar, Minnesota;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the City approves of the Premise Permit for the Willmar Elks Lodge #952 and respectfully requests that the State of Minnesota Gambling Control Board approve the Premise Permit to the Willmar Elks Lodge #952.

Dated this 15th day of December, 2014.

/s/ Denis Anderson
MAYOR PRO TEMPORE

/s/ Kevin Halliday
Attest: CITY CLERK

City Clerk Halliday presented to the Council On-Sale, Club On-Sale 2015 Sunday Liquor License Renewals as follows: On-Sale – Applebee’s Neighborhood Grill & Bar, Austin F. Hanscom Post 167, El Tapatio Mexican Restaurant, Finstad-Week Post 1639, Green Mill Willmar, Grizzly’s Grill N’ Saloon, Peps Sports Bar, Ruff’s Wings & Sports Bar and the Oaks at Eagle Creek. Council Member Fagerlie moved to approve the On-Sale, Club On-Sale 2015 Sunday Liquor License Renewals as presented. Council Member Ahmann seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Clerk Kevin Halliday presented to the Council On-Sale 2015 Sunday Liquor License Renewal of the Kandi Entertainment Center, noting that the real estate tax (special assessments and penalties) for the second half of 2014 have not been paid and utility payments are past due. Staff recommended the Council approve the Sunday Liquor License renewal contingent on proof of utilities paid to date and real estate tax payment made to Kandiyohi County. Council Member Fagerlie moved to approve the 2015 Sunday Liquor License Renewal contingent upon Kandi Entertainment Center providing the City Clerk-Treasurer with a receipt of payment of current property taxes and penalties by January 2, 2015. Council Member Johnson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Clerk Halliday presented to the Council for consideration a Civic Center Arena Special Event by On-Sale Liquor License Permit Holder. The Civic Center has rented space to the Willmar Curling Club who will hold a three-day Curling New Year’s Bonspiel. On January 9, 10 and 11, 2015, the Willmar Curling Club plans to serve alcohol. A Civic Center Arena Special Event Permit is required to distribute or consume alcohol on the Civic Center grounds. The Kandi Entertainment Center Inc. dba Kandi Entertainment Center (KEC) has applied for this permit with the on-site employee listed as Keith Pattison. It was recommended by the staff that this permit not be approved until the KEC is in compliance with all other liquor ordinances in the City. Council Member Ahmann moved to approve the Civic Center Arena Special Event by On-Sale Liquor License Permit Holder pending compliance of liquor ordinances of the City. Council Member Christianson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Clerk Halliday presented an application for consideration of a Club On-Sale Liquor License for BPOE Lodge 952 dba Willmar Elks Lodge to hold a Club On-Sale Liquor License at 222 SW 20th Street. The Willmar Elks is currently located at 426 Litchfield Avenue SW and must obtain a new license due to the change in location. The Willmar Police Department has completed a background check, criminal history check, and driving record on the resident manager for this establishment. Council Member Fagerlie moved to approve the Club On-Sale Liquor License resulting from a location change. Council Member Christianson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

There was no New Business to come before the Council.

Under Old Business Mayor Pro Tempore commented on the WCCO News Contest as to where the best outdoor Christmas lighting was located and they selected the Chad Koosman property and congratulated them. The funds from the display go to the Salvation Army.

Mayor Pro Tempore requested clarification on the Council meeting dates for January. By City Charter, the reorganizational meeting will be held on January 12, 2015. City Administrator Charlene Stevens mentioned the second meeting in January falls on Martin Luther King Day and would need to be changed to the 20th. The Council discussed the reorganizational meeting in January. The City Attorney clarified the Charter specifies the meeting date, but not the time. The open meeting law states if you do have a pre-meeting it must be open to the public; and that no official action can take place with elected officials not yet certified for office. The better option being proposed is to conduct the biennial organizational required tasks

at the seven o'clock Council meeting after certificates of election are presented and the Oath of Office completed.

Council Member Christianson moved to reschedule the second Council meeting of the month to January 20, 2015. Council Member Ahmann seconded the motion, which carried.

At this time, there are no committee meetings scheduled to take place prior to the reorganizational meeting of January 12, 2015.

There being no further business to come before the Council, the meeting adjourned at 10:17 p.m. upon motion by Council Member DeBlieck, seconded by Council Member Fagerlie, and carried.

Attest:

MAYOR PRO TEMPORE

SECRETARY TO THE COUNCIL